

# BETTY T. YEE, BOARD MEMBER STATE BOARD OF EQUALIZATION

Serving the 8.5 million Californians of the First Equalization District, comprised of 21 counties along the northern and central California coast, including the entire San Francisco Bay Area.



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## SEPTEMBER NEWSLETTER



### COVERED CALIFORNIA IS HERE:

#### CALIFORNIANS MUST CARRY HEALTH INSURANCE NEXT YEAR

For many among us who have struggled to pay for health insurance, were denied insurance due to a pre-existing condition, or have lacked access to coverage from employer-provided or publicly funded programs, the passage of the Patient Protection and Affordable Care Act (ACA) was welcomed news. The ACA provides access to affordable health insurance, new guaranteed protections for everyone, and requires most people over the age of 18 to obtain health insurance in 2014. Open enrollment starts October 1, 2013.

##### **What is Covered California?**

The State of California, in compliance with the ACA, is taking a big step forward in helping people obtain health insurance through an online health insurance marketplace called [Covered California](#). If you need coverage, you can [comparison shop](#) for insurance and find the plan that works best for you and your budget.

##### **Who needs Covered California?**

All legal residents of California who need to buy their own health insurance are eligible to use Covered California.

##### **Who does *not* need Covered California?**

If you are now receiving health insurance coverage through your employer, nothing has to change: you can choose to keep your existing plan. If you buy your own insurance and are happy with your plan, you can keep it.

##### **How much does insurance cost through Covered California?**

How much you pay for health insurance is based on several factors such as your age, zip code, household size, income, and the benefit level you select. Covered California has an online [calculator](#) to quickly help estimate your costs, and the amount of financial assistance you might be eligible to receive. Choosing the plan that best suits your needs and budget will require some comparison shopping.

##### **What if I cannot afford health insurance?**

Covered California will help you determine your eligibility based on income up to \$44,680 for an individual and \$92,200 for a family of four. Use the online [calculator](#) to estimate your costs, and check this [fact sheet](#).

For those with very low income, Medi-Cal is being expanded. It is estimated that a million more adults under age 65 now will qualify for this free health care program. A childless adult under the age of 65 with an annual income at or below \$15,856 will now qualify for Medi-Cal.

##### **What Covered California resources and assistance are available?**

[Covered California](#) has [fact sheets](#), [FAQs](#), [cost calculators](#), and information to [comparison shop](#). Information is available in [languages](#) such as Chinese, Spanish, Farsi, Tagalog, Arabic, Korean, Vietnamese and more. If you have questions, call toll free 1-800-300-1506.

To learn more about services provided by the State Board of Equalization, please call my office or visit my web site at:  
[www.boe.ca.gov/members/yee](http://www.boe.ca.gov/members/yee)

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## OPEN ENROLLMENT

Covered California open enrollment starts October 1, 2013 and extends through March 31, 2014. If you are not enrolled in a health insurance plan by March 31, 2014, except in special circumstances, you will not have another opportunity to enroll in a health plan again until October 2014, with coverage starting January 2015. You may be subject to a penalty of 1 percent of annual income, or \$95, whichever is greater if you do not carry health insurance.

## NEW PROTECTIONS GUARANTEED FOR HEALTH INSURANCE PLANS

- Children cannot be denied coverage for pre-existing conditions.
- Young adults under age 26 may be covered under their parent's health plan.
- Lifetime limits on benefits are banned for all new health insurance plans.
- Preventative care is included with no deductible or copayment required.
- Health insurance companies must spend 80 cents of every premium dollar on health care or improvements to care, or provide a refund back to policyholders.



## COVERED CALIFORNIA FOR SMALL BUSINESS OWNERS



Though businesses are not yet required to provide health insurance to their employees, Covered California offers health insurance plans for [small business owners](#) with 50 or fewer employees with coverage starting January 1, 2014. An informative [fact sheet for small business owners](#) can be found on the Covered California website which includes information about [tax credits for employers](#) with fewer than 25 employees.

# VACATIONING ABROAD?

## KNOW BEFORE YOU GO.

Traveling outside the United States for vacation is a memorable experience for most. Coming home with special mementos or gifts is often part of the fun to share and keep memories of the trip alive.

If you traveled out of the country or have a trip coming up, check the Board of Equalization (BOE) website for [information about use tax you may owe](#) on purchases. Even if your foreign-bought item is exempt

from federal duty, it does not mean it is exempt from California use tax. If you buy an item out of the country, but use, store, or consume it in California, you probably owe use tax. You can pay the BOE directly, or include the tax on your annual income tax filing. Learn more about use tax [here](#).





## EMPLOYMENT UPDATE FOR CALIFORNIA

Employment indicators in California point to a slow recovery from the Great Recession. In June, the state's unemployment rate fell to 8.5 percent, a 2.1 percentage drop since June 2012 and the second largest June to June drop since 1976. In July, California's unemployment rate crept to 8.7 percent, still exceeding the nation's 7.3 percent rate. Many Californians are finding new employment, but in low-wage jobs and/or in temporary or part-time basis.

For example, the leisure and hospitality sectors in California added 9,700 jobs (see side bar). These jobs are frequently part-time, lack health benefits, pay lower wages, and require working long hours including nights and weekends, making it especially difficult for parents. Often the expense of childcare wipes out much, if not all, of the financial gain from working.

## JOB GAINS AND LOSSES: WHERE ARE THEY?

### Gains:

- Trade, transportation, and utilities: 13,200
- Educational and health services: 10,200
- Leisure and hospitality: 9,700
- Manufacturing: 2,600
- Mining and logging: 200
- Government: 8,600  
(federal: 2,500; state: 600; and local: 5,500)

### Losses:

- Construction: 1,700
- Information services: 2,300
- Financial activities: 2,500
- Professional and business services: 3,300
- Other services: 4,500

## CALIFORNIA WINE CRUSH IS ON

Remember how dry the rainy season was this year? California winemakers do . . . only they are too busy to tell you. Vintners are experiencing one of the earliest grape harvests in recent history because the unusually parched Spring accelerated the arrival of this year's crop.

Every vintage year is different and has its advantages and disadvantages. Dealing with changing weather patterns is part of the art of growing wine grapes, a long dance with the elements to achieve a precise combination of sugar levels and acidity.

Because late October and early November can be cold or wet, a harvest in August or September can be advantageous to vintners wishing to avoid potential crop-damaging weather conditions. However, the early harvest raises concern for growers who rely on extended "hang time," the stint grapes spend on the

vine. Many winemakers say time on the vine leads to complex flavors and a sense of place, called terroir.

Wine grapes are a signature California crop, grown in 48 of the state's 58 counties. Most of us may be able to name a dozen or so types of wine grapes, but in fact 110 varieties thrive in California.

The Golden State is home to 3,800 wineries, most of which are family-owned businesses. They produce 90 percent of the wine the United States exports to other countries. The industry supports 330,000 jobs in California, generating \$12.3 billion in wages, and \$14.7 billion paid in state and federal taxes.

Wine growing regions attracted 20.7 million visitors last year, second only to Disneyland as a top California tourist destination. The total annual economic impact of the wine industry in California is estimated at \$61.5 billion. Cheers to California wine and the wine industry!



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# ARE YOUR FUNDRAISING ACTIVITIES TAXABLE?

## RESOURCES FOR NONPROFITS AND EXEMPT CHARITABLE GROUP FUNDRAISERS

The school year has begun, ushering in Parent Teacher Associations, student groups, youth sport teams, and many nonprofit or charitable groups holding bake sales, car washes, spaghetti feeds, pancake breakfasts, and other activities to raise funds.

Although many nonprofit organizations are exempt from federal and state income tax and may be eligible for property tax exemptions, most are not exempt from state sales tax except under certain circumstances. Generally, most nonprofit organizations must hold a seller's permit even if the organization's sales are nontaxable.



The Board of Equalization understands sales tax rules and regulations may be difficult to understand. To assist parent-teacher associations, schools, children's organizations, social and fraternal organizations and other types of charitable groups, the BOE [website](#) features a number of [helpful resources](#) specific to nonprofit organizations, including [Publication 18 Nonprofit Organizations](#), and an [online video Sales and Use Taxes for Nonprofit and Faith-Based Organizations](#). My website offers a [Toolkit for Nonprofit Organizations](#) to help nonprofit organizations navigate and understand California's Sales and Use Tax Law, and raise consumers' awareness about taxes that may affect them.



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## ONLINE TUTORIALS AVAILABLE 24/7

Want more information on how to eFile with the BOE? A helpful [eFile Video Tutorial](#) is now available to assist taxpayers in fulfilling their tax obligation.

Don't have time to make a Basic Sales and Use Tax seminar in person? [Online BSUT tutorials](#) are now available to taxpayers, providing the information in a self-paced environment.



## BASIC SALES AND USE TAX WORKSHOP AND eFILE CLINICS

The Board of Equalization (BOE) offers free Basic Sales and Use Tax (BSUT) workshops and eFile clinics in different languages including English, Spanish, Chinese, Vietnamese and others to provide in-person support to taxpayers. A full list of [BSUT classes and eFile clinics](#) offered in the First Equalization District can be found [here](#).

- October 15: Basic Sales and Use Tax workshop in Mandarin/Cantonese (San Jose)
- October 16: Basic Sales and Use Tax workshop in English (Oakland)
- October 22: Basic Sales and Use Tax workshop in English (Santa Rosa)
- October 23: Basic Sales and Use Tax workshop in Spanish (Santa Rosa)
- October 24: Basic Sales and Use Tax workshop in English (San Jose)
- October 29: Basic Sales and Use Tax workshop in English (Fairfield)
- October 29: eFile Clinic in English (Oakland)
- October 30: eFile Clinic in English (Oakland)
- October 31: eFile Clinic in English (Oakland)
- October 31: eFile Clinic in English and Spanish (Santa Rosa)
- November 7: Basic Sales and Use Tax workshop in English (Salinas)
- December 5: Basic Sales and Use Tax workshop in English (San Jose)